

Congress of the United States
Washington, DC 20515

July 10, 2017

The Honorable David Shulkin
United States Secretary of Veterans Affairs
810 Vermont Avenue NW
Washington, D.C. 20420

Dear Secretary Shulkin:

We write you today in regards to inappropriate and delayed Veterans Choice Program (Choice) billing which has led to veterans experiencing adverse credit reporting and debt collection. Although Congress passed the Veterans Choice Improvement Act in April of this year,¹ legislation that makes the U.S. Department of Veterans Affairs (VA) the primary payer under the Choice Program, we remain concerned that some veterans may have adverse credit actions taken because of their participation in the program.

Congress has previously raised serious concerns regarding the implementation of the Choice Program by the VA. We believe reforms will improve medical treatment for our nation's veterans, but it has come to our attention that the billing and reimbursement practices of the VA are leading to adverse credit actions against participants in the program, including debt collection proceedings and reporting of negative information on the participants' credit reports.

Delayed reimbursements to providers and bills inappropriately assigned to veterans are a grave disservice to those who served to protect our country. As of May 18, 2017, the Department had received 57,228 calls requesting assistance with adverse credit reporting resulting from the Veterans Choice Program. While billing and payments issues are being resolved between the Department, third party administrators, and medical providers, the unpaid bill can be incorrectly sent to the veteran, a debt collector, or credit reporting agency—ultimately leading to confusion, adverse credit report actions, or inappropriate debt collection efforts. For example, an eligible veteran may choose to use a private medical provider that is a participant in Choice. The expectation of the veteran, and of the Congress, is that the Department will reimburse this debt in a *prompt* manner.² In general, the rules require payment by the date specified in the contract or within 30 days after the agency has received a proper invoice.³ Failure to comply with the prompt payment rules has negative consequences for veterans' financial standing, through no fault of their own.

¹ P.L. 115-26.

² P.L. 113-146, requirements to comply with the Prompt Payment Rule, 5 C.F.R. §1315.

³ Department of the Treasury, Bureau of the Fiscal Service. *See* <https://www.fiscal.treasury.gov/fs-services/gov/pmt/promptPayment/payments.htm>.


If reimbursement from the Department to the medical provider does not occur in a prompt manner, the debt, which is in the name of veteran, may incur debt collection proceedings. This will be confusing for veterans who are under the correct presumption that the reimbursement will be made by the Department to the private medical provider. In addition, the unpaid debt may also be deemed an adverse action by the credit bureaus who simply treat it as unpaid medical debt. This adverse action – caused by reimbursement delays by the Department – will have a negative impact on the credit profile of the veteran. Depending on the amount of the debt, length of delay in completion of payment, and other factors, the long-term damage to credit scores could be severe. At a minimum, this increases the costs of credit and could it make it more difficult, if not impossible, for veterans to secure credit for life essentials such as a car or housing.

In light of these adverse credit actions to veterans caused by reimbursement delays by the Department, please provide us the following information:

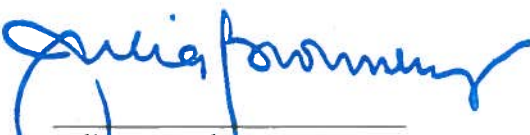
1. What is the average time it takes the Department to provide payment for a claim made via the Veterans Choice Program? In terms of the distribution of time for repayment, how many payments fall within three, two and one standard deviations of the mean? How many payments for claims made via the Veterans Choice Program occurred after 30 days?
2. What is the average time it takes providers to submit completed claims to the VA?
3. How does the Department interpret its obligations under the Prompt Payment Rule? Under existing policies and contracts, how many days does the Department have to provide payment to participating medical providers?
4. Is the Department aware of the adverse credit actions incurred by veterans due to reimbursement delays by the Department?
5. What actions will the Department take to rectify the adverse credit actions for which it is responsible?

We look forward to a prompt response regarding your action on these issues.

Respectfully,




John K. Delaney
Member of Congress



Julia Brownley
Member of Congress



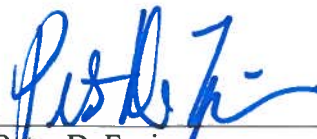
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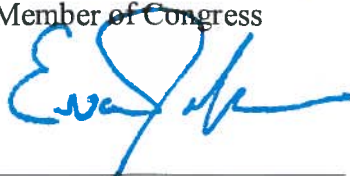
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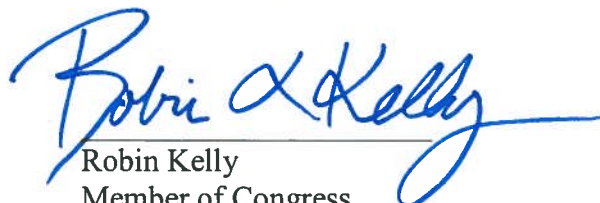
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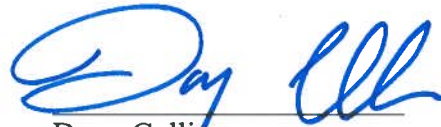


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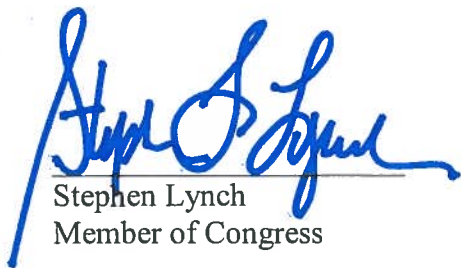

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